

Kentucky Agricultural Development Board

Minutes of the December Board Meeting

The regular meeting of the Kentucky Agricultural Development Board was held on **Friday, December 20, 2002** at **10:00 a.m.**, at the KY History Center. Commissioner Billy Ray Smith, presiding, called the meeting to order, and the Secretary called the roll.

Members Present

Vickie Yates Brown, Danny Case, Susan Harkins, Sam Lawson, Smith Mitchell designee for Secretary Gene Strong, Sam Moore, Governor Paul E. Patton, Eddie Sellers, Michael Slaughter, Commissioner Billy Ray Smith, and Dean M. Scott Smith

Members Absent

Larry Clay, Seth Conner, Wayne Hunt, and Willa H. Poynter

Others Present

Staff - David Bratcher, Penny Cline, Sandy Gardner, John-Mark Hack, Bruce Harper, Jeff Harper, Kara Keeton, Bill McCloskey, Jeff Mosley, Joel Neaveill, Gene Royalty, Angela Utterback, and Stephen Yates

Guests – Rick Alexander, Commodity Growers Cooperative; Paul Schulte, Horizon Research International; Robert Beal, Green River Cattle Co. (GRCC); Lynne Givens, GRCC; Brian Newman, Green Co. Cooperative Extension; Stephen A. Coleman, KY Division of Conservation; David P. Givens, GRCC; Mike Grant, KY Department of Agriculture (KDA); Roger Davis, GRCC; James Bonta, GRCC; Sandy Rogers, GRCC; Sharon Burton, *The Farmer's Pride*; Patricia Krausman, Elizabethtown SBDC; Dr. Lee Meyer, UK Agricultural Economics; Alysia Robben, Community Farm Alliance; Biff Baker, Legislative Research Commission; Jim Mansfield, KDA; Mike Young, HNIB; Mayor Bob Hunt, Cave City; Harvey Mitchell, KDA; Ed Rogers, GRCC; and Dr. Tim Woods, UK Agricultural Economics

Notification of Media

Commissioner Smith received verification from John-Mark Hack that the media had received notice regarding the Agricultural Development Board meeting.

Welcome

Commissioner Smith welcomed everyone to the Board meeting.

Approval of Minutes

The minutes of the November 15, 2002 meeting were approved as presented.

Executive Director's Report

John-Mark Hack welcomed everyone to the meeting and recognized several special guests in attendance today.

Mr. Hack asked that all guests sign-in at the reception table to keep an accurate record of meeting attendance.

Mr. Hack reviewed the agenda for the meeting.

Mr. Hack commented on the current budget situation. He noted that yesterday he was officially notified that Agricultural Development Funds are "on the table" as a potential means for addressing the state budget shortfall. Mr. Hack discussed that communication of the accomplishments of this fund is needed between those involved in this effort and our state legislators in an effort to minimize any transfer of funds from this program.

Mr. Hack reported on efforts in the most tobacco dependent areas of the state. Monday, December 16 the *Farm Family Education Expo* was held at Greenbo Lake State Resort Park for the northeastern region of the Commonwealth. That same evening the *Agricultural Development Leadership Training & Forum* will take place for agricultural and local government leaders, County Agricultural Development Council members, and Cooperative Extension Agents in the area. Mr. Hack announced that the same events would occur in the southeastern region of the Commonwealth on Thursday, January 23, 2003.

Mr. Hack updated the Board on the status of the Agricultural Finance Corporation.

Mr. Hack briefed the Board on the meetings in Cynthiana and Maysville with the Agriculture & Natural Resource interim joint committee and the HB 611 Oversight Committee.

Mr. Hack updated the Board on the Phase II. Phase II checks will be mailed out December 30, 2002.

Mr. Hack briefed the Board on events where the Board has been represented through presentations at other organizations' events (KY Association of School Superintendents, KY Farm Bureau's Annual Meeting, and the Council for Burley Tobacco).

Commissioner Smith stressed the importance of the agriculture community making contacts and communicating the importance of this fund to the Agricultural Development effort. Commissioner Smith listed the annual meetings of the state's commodity groups occurring after the New Year. Commissioner Smith noted that we all need to work together to show a cooperative, united front.

Commissioner Smith yielded the floor to Sam Moore, President of the Kentucky Farm Bureau, for comment. Mr. Moore made note of the efforts Farm Bureau is doing to secure the structure and funding of this effort.

Mr. Hack introduced Ed Rogers, President of the Green River Cattle Company, for the Company's presentation to the Board, regarding their project's progress. Mr. Rogers provided an overview of the project and introduced David Givens to give the presentation.

Mr. Givens updated the Board on the progress of their project. Mr. Givens outlined the objective and the four components of the project. Mr. Givens expanded on the results of each of the components. Mr. Givens also reviewed the group's "Where to from here?" items. Mr. Givens thanked the Board for the Model Programs and explained how they have helped this project, as well as the KY Beef Network.

Mr. Givens returned the floor to Mr. Rogers. Mr. Rogers thanked the Board for their support and presented the Board with a framed photo used for the Green River Cattle Company's marketing materials.

Mr. Rogers and Mr. Givens took questions from the Board members regarding the project. Mr. Givens announced that they would have detailed informational packets at the door as the members leave and invited them to pick up one on their way out.

Mr. Hack thanked them and noted that this project was occurring in one of the top ten tobacco dependent counties, Green County. Mr. Hack expressed his appreciation to the Green River Cattle Company for the gift.

Mr. Hack introduced Dr. Tim Woods to present the results of the Biomass Study.

Dr. Woods provided an overview of the project and background on where the idea for this study came. A copy of the slide presentation was provided to each member. *[A copy of the presentation is on file with the Secretary.]*

Dr. Woods reviewed power generation in Kentucky and how biomass fits into the picture. Dr. Woods reviewed the pros and cons of biomass and the particular types of biomass studied in this project. Dr. Woods reviewed the costs to the producers for each type of biomass. Dr. Woods wrapped up the presentation with four conclusions from the study.

Dr. Woods opened the floor for questions.

Mr. Hack reviewed the status for the Market Studies – both the regional marketing study and the comprehensive marketing study.

Referral of August Projects¹

Mr. Hack presented projects A2002-0636 to A2002-0680 for referral to the Board's Project Review Committees. Mr. Moore moved that "projects A2002-0636 to A2002-0680 be referred the Board's Project Review Committees;" Danny Case seconded the motion. The motion passed without dissent.

¹ A detailed list of the referred projects is attached as Appendix A.

Approval of Model Programs²

Mr. Hack submitted projects A2002-0618 as a project meeting the model **Agricultural Diversification Program** guidelines. Mike Slaughter moved that same be approved as model Agricultural Diversification programs; Susan Harkins seconded the motion. The motion passed without dissent.

Mr. Hack submitted projects A2002-0626, A2002-0642, A2002-0644, and A2002-0652 as projects meeting the model **Forage Improvement & Utilization Program** guidelines. Ms. Harkins moved that projects same be approved as model Forage Improvement & Utilization Programs; Vickie Yates Brown seconded the motion. The motion passed without dissent.

Mr. Hack submitted projects A2002-0627 and A2002-0647 as projects meeting the model **Genetics Improvement Program** guidelines. Mr. Slaughter moved that same be approved as a model Cattle Genetics Improvement Program; Mr. Case seconded the motion. The motion passed without dissent.

Mr. Hack submitted projects A2002-0566, A2002-0612, A2002-0617, A2002-0620, A2002-0621, and A2002-0651 as projects meeting the model **Goat Diversification Program** guidelines. Smith Mitchell moved that projects same be approved as model Goat Diversification Programs; Mr. Moore seconded the motion. The motion passed without dissent.

Mr. Hack submitted projects A2002-0624, A2002-0625, and A2002-0650 as projects meeting the model **Cattle Handling Facilities Program** guidelines. Ms. Harkins moved that projects same be approved as model Cattle Handling Facilities Programs; Mr. Slaughter seconded the motion. The motion passed without dissent.

Committee Reports

Blue Project Review Committee

Vickie Yates Brown reported for the Blue Project Review Committee (PRC). Ms. Brown noted that the Blue PRC is presenting one (1) project for funding consideration.

Ms. Brown presented application **A2002-0615**. The application received a high priority from Woodford County. The applicant, **Woodford County Extension District**, requests \$50,000 in Woodford County Agricultural Development Funds to install a certified kitchen into a 2,880 square foot building expansion project. This certified kitchen would provide the farmers of Woodford County the opportunity to add value to their products. This expansion will also serve as additional educational space for local farmers. Woodford County has had a very high level of participation in their local agricultural diversification program and the need exists for a facility to process, market and educate small-scale agribusinesses. Currently, there is not a certified kitchen in the county to address this need. Ms. Brown reviewed the terms and conditions for the project. Mr. Lawson moved

² A detailed list of projects funded under each model program category is attached as Appendix B.

that project A2002-0615 be approved for \$50,000 in Woodford Co. Agricultural Development Funds; Mr. Sellers seconded the motion. The motion passed without dissent with Dean M. Scott Smith abstaining from the vote.

Red Project Review Committee

Sam Lawson reported for the Red Project Review Committee (PRC). Mr. Lawson noted that the Red PRC is presenting four (4) projects for funding consideration.

Mr. Lawson presented application **A2002-0595**. The application received a high priority from Scott County. The applicant, **Scott County Beef Improvement Association, Inc.**, requests \$157,053 in Scott County Agriculture Development Funds to implement and administer an on-farm water enhancement program for Scott County Producers. Funds would be utilized to develop and enhance farm ponds, drill wells for subsurface aquifers, develop springs, and to construct small stream water basins. A consultant with extensive experience will be utilized to make site visits to applicants' farms and provide technical recommendations. A minimum of three site visits would be required for any approved participant: an initial evaluation visit, a progress visit, and a final visit upon completion. Mr. Lawson reviewed the terms and conditions for the project. Mr. Lawson moved that project A2002-0595 be approved for \$157,053 in Scott County Agricultural Development Funds; Mr. Case seconded the motion. Commissioner Smith opened the floor for discussion.

Dean Smith asked if there had been talk of making this type of project a model program. Mr. Hack confirmed that this could become a model program. Discussions with the Division of Water are currently underway.

Commissioner Smith called the question. The motion passed without dissent.

Mr. Lawson presented application **A2002-0628**. The application received a high priority from Trigg County. The applicant, **Renaissance On Main**, along with the City of Cadiz, and the Farmer's Market committee request \$2,000 of Trigg County Agricultural Development Funds to aid in the development and continuation of a Farmer's market in the Cadiz/Trigg County community. Mr. Lawson reviewed the terms and conditions for the project. Mr. Lawson moved that project A2002-0628 be approved for \$2,000 in Trigg County Agricultural Development Funds; Mr. Slaughter seconded the motion. The motion passed without dissent.

Mr. Lawson presented application **A2002-0629**. The application received a high priority from Trigg County. The applicant, **Harton Farms**, requests \$7,700 of Trigg County Agricultural Development Funds to assist in purchasing a tobacco steamer unit for adding value to existing crops and to provide support and custom services for other tobacco producers in Trigg, Lyon, and Christian counties. This steamer will allow producers to use one tobacco barn to fire cure two crops of dark-fired tobacco in one growing season, thus increasing their efficiency dramatically. Harton Farms anticipates providing steamer services to 10-15 tobacco producers in the first year. Mr. Lawson reviewed the terms and conditions for the project. Mr. Lawson moved that project A2002-0629 be approved for \$7,700 in Trigg County Agricultural Development Funds; Dean Smith seconded the motion. The motion passed with dissention [8 yea; 1 nay (Brown)].

Mr. Lawson presented application **A2002-0630**. The application received a high priority from Trigg County. The applicant, **Lawrence Brothers Farms**, requests \$7,700 of Trigg County Agricultural Development Funds to assist in the purchase of a tobacco steamer to add value to existing tobacco crops. They also indicate that said steamer would provide support and custom services for other tobacco producers in Trigg, Christian, Lyon, and Caldwell counties. Lawrence Brothers Farm indicates a steamer would allow producers to use one tobacco barn to fire cure two crops of dark fired tobacco in one growing season. Lawrence Brothers Farm anticipates benefiting 10-15 producers in the first year of offering steamer services. Mr. Lawson reviewed the terms and conditions for the project. Mr. Lawson moved that project A2002-0629 be approved for \$7,700 in Trigg County Agricultural Development Funds; Mr. Case seconded the motion. The motion passed with dissent [8 yea; 1 nay (Brown)].

Review of Amendments

Mr. Hack presented the following amendments for approval.

Application **A2002-0058, Elliott County Fiscal Court**, was originally approved for \$200,000 on February 15, 2002 for the Forage Improvement program. The applicant requests a decrease in the project funds for the Forage Improvement program of \$100,000. This amount is to be reallocated to A2002-0624 (Cattle Handling Facilities). Approval of this request amends funds allocated to the project to \$100,000.

Application **A2001-0724, Buffalo Trace Area Development District, Inc.**, was originally approved for \$75,000 on December 21, 2001 for the Cattle Genetics program in Lewis County. The applicant requests a decrease in the project funds of \$25,000 for the Cattle Genetics program in Lewis Co. This amount is to be reallocated to A2001-0723 (Cattle Handling Facilities). Approval of this request amends funds allocated to the project to \$50,000.

Application **A2001-0723, Buffalo Trace Area Development District, Inc.**, was originally approved for \$27,500 on December 21, 2001 for the Cattle Handling program in Lewis County. The applicant requests an increase in the project funds of \$25,000 for the Cattle Handling program in Lewis Co. This amount is to be reallocated from A2001-0724 (Cattle Genetics). Approval of this request amends funds allocated to the project to \$52,500.

Application **A2001-0748, Henry County Boer Goat Association, Inc.**, was originally approved for \$8,000 on November 30, 2001. The applicant requests a decrease in the project funds of \$4,000 for this project (Education & Outreach). This amount is to be reallocated to A2001-0632 (Goat Diversification). Approval of this request amends funds allocated to the project to \$4,000.

Application **A2001-0632, Henry County Boer Goat Association**, was originally approved for \$15,500 on November 30, 2001. The applicant requests an increase in the project funds of \$4,000 for the Goat Diversification program. This amount is to be reallocated from A2001-0748. Approval of this request will amend funds allocated to the project to \$19,500.

Application **A2002-0150, Farm Family Project Cooperative**, was originally approved for \$34,000 on April 19, 2002. The applicant requests a decrease in the project funds of \$14,500 in Oldham County's Agricultural Diversification program. This amount is to be reallocated to other model programs based on applications received. Approval of this request will amend funds allocated to the project to \$19,500.

Application **A2001-0636, Green River Area Beef Improvement Group, Inc.**, was originally approved for \$52,500 on October 19, 2001. Due to a clerical error this project funds should be increased by \$2,775. Approval of this request will amend funds allocated to the project to \$55,270.

Application **A2001-0014, Todd County Cattlemen's Association**, was originally approved for \$57,100 on March 16, 2001. The applicant requests an additional \$16,400 in Todd County funds for the Genetics Improvement Program. The request received a high priority from Todd County. Approval of this request will amend funds allocated to the project to \$73,500.

Application **A2001-0254, Hardin County Beef Cattle Association**, was originally approved for \$38,500 on August 17, 2001. This amendment is to correct a clerical error by increasing the approved amount by \$15,000. Approval of this correction will amend funds allocated to the project to \$53,500.

Application **A2001-0501, Hardin County Beef Cattle Association**, was originally approved for \$37,000 on August 17, 2001. This amendment is to correct a clerical error by increasing the approved amount by \$45,000. Approval of this correction will amend funds allocated to the project to \$82,000.

Application **A2001-0502, Hardin County Beef Cattle Association**, was originally approved for \$24,000 on August 17, 2001. This amendment is to correct a clerical error by increasing the approved amount by \$20,000. Approval of this correction will amend funds allocated to the project to \$44,000.

Mr. Moore moved that the entire list of amendments be approved; Mr. Case seconded the motion. The motion passed without dissent.

Recommendations for No-Funding³

Mr. Hack presented projects A2001-0800, A2002-0013, A2002-0608, A2002-0616, A2002-0631, A2002-0632, and A2002-0633 as projects recommend for no funding by the project review committees. Mr. Lawson moved that no funding be awarded to same; Ms. Brown seconded the motion. The motion passed without dissent.

³ Detailed list of projects for a no-funding recommendation listed in Appendix C.

Other Business

Mr. Hack reminded guests to sign-in at the reception table.

Mr. Hack announced that there is a holiday luncheon in the adjacent room for the Board, staff and presenters.

Mr. Hack thanked the Kentucky History Center for their hospitality at our monthly meetings and gave a special thanks to Keith Jackson for his assistance with the sound equipment throughout the meeting.

Commissioner Smith announced three new publications available from the Department of Agriculture and the KY Agricultural Statistics Service.

Dean Smith distributed *The Agriculture Economic Outlook for 2003*.

Mr. Hack announced the press conference for Phase II check distribution on December 30, 2002 at Doug Langley's Farm in Shelby County.

Mr. Hack yielded the floor to Governor Paul Patton.

Governor Patton made a few remarks and discussed the current budget crisis. Governor Patton commented on the use, to date, of only unbudgeted tobacco settlement funds for the budget shortfall. Governor Patton stated that he is against the whisperings of taking the tobacco funds to balance the budget. He noted that the agriculture community and the Board will need to be prepared to justify the work of this effort over the last few years. He stated that he is not hearing any more criticisms of the process; he now hears a general satisfaction with the process and the effort.

Closing Remarks

Mr. Hack updated the Board on the CITE proposal that was presented at project review. Mr. Hack noted that information requested of CITE was forwarded to the members. Mr. Hack stated that this project will be up for discussion again at January Project Review.

Commissioner Smith and Mr. Hack wished everyone "Happy Holidays!"

The next meeting of the Kentucky Agricultural Development Board will convene at 10:00 a.m. on Friday, January 17, 2003 at the Kentucky History Center in Frankfort. Note time and location of meeting subject to change; ample notification will be given if such a change occurs.

The meeting adjourned at 12:15 p.m.

APPROVED: _____

PRESIDING OFFICER: _____

SECRETARY: _____

APPENIDIX A: *Referred to Project Review*

Applications A2002-0636 to A2002-0680

| Appl # | Project Name |
|------------|--|
| A2002-0636 | Montgomery County Cattlemen's Association |
| A2002-0637 | Montgomery County Conservation District |
| A2002-0638 | Wine Vineyard Demonstration Project |
| A2002-0639 | Russell County Dairy Advancement Council |
| A2002-0640 | Central Kentucky Meat Goat Producers, Inc. |
| A2002-0641 | Robertson County Farm Bureau |
| A2002-0642 | Shelby County Cattlemen's Association |
| A2002-0643 | Ballard County Conservation District |
| A2002-0644 | Lawrence County Conservation District |
| A2002-0645 | Rowan County Agriculture Diversification Council |
| A2002-0646 | Christian Way Farm |
| A2002-0647 | Allen County Cattlemen's Association |
| A2002-0648 | Rowan County Extension Council |
| A2002-0649 | Mason County Fiscal Court |
| A2002-0650 | Logan County Cattlemen's Association |
| A2002-0651 | West Kentucky Goat Association |
| A2002-0652 | Logan County Conservation District |
| A2002-0653 | Cumberland Farm Products Association |
| A2002-0654 | Duplicate |
| A2002-0655 | Woodford County Agriculture Advancement Council |
| A2002-0656 | Kentucky Vocational Agriculture Teachers Association |
| A2002-0657 | Kentucky Department of Agriculture |
| A2002-0658 | Magoffin County Cattle Association |
| A2002-0659 | Magoffin County Cattle Association |
| A2002-0660 | Kentucky's Cattlemen's Association |
| A2002-0661 | Laurel County Cattleman's Association |
| A2002-0662 | Bracken County Ag. Adv. Council |

APPENDIX A: Referred to Project Review

| Appl # | Project Name |
|---------------|---|
| A2002-0663 | Bracken County Agricultural Advancement Council |
| A2002-0664 | Henry County Cattlemen's Association, Inc. |
| A2002-0665 | Henry County Cattlemen's Association, Inc. |
| A2002-0666 | Henry County Cattlemen's Association, Inc. |
| A2002-0667 | Henry County Cattlemen's Association, Inc. |
| A2002-0668 | Henry Co. Agricultural Diversification Association, Inc. |
| A2002-0669 | Henry County Boer Goat Association, Inc. |
| A2002-0670 | Woodford County Agriculture Advancement Council |
| A2002-0671 | River Valley Winery, Inc. |
| A2002-0672 | Estill County Conservation District |
| A2002-0673 | Grant County Conservation District |
| A2002-0674 | Grayson County Cattlemen's Association |
| A2002-0675 | Kentucky Thoroughbred Owners and Breeders, Inc. |
| A2002-0676 | Kentucky Specialty Meats, Inc. |
| A2002-0677 | Franklin County Conservation District |
| A2002-0678 | Technology for Green Co. High School Agriculture Department |
| A2002-0679 | Kentucky Specialty Meats, Inc. |
| A2002-0680 | Caldwell County Conservation District |

APPENDIX B: *Model Program Lists*

Agricultural Diversification

| <i>App #</i> | <i>Project Name</i> | <i>County</i> | <i>Funds</i> |
|--------------|----------------------|---------------|--------------------|
| A2002-0618 | Bath Co. Farm Bureau | Bath | \$51,000.00 |
| | | Total: | \$51,000.00 |

Forage Improvement

| <i>App #</i> | <i>Project Name</i> | <i>County</i> | <i>Funds</i> |
|--------------|------------------------------------|---------------|--------------------|
| A2002-0644 | Lawrence Co. Conservation District | Lawrence | \$37,000.00 |
| A2002-0652 | Logan Co. Conservation District | Logan | \$7,471.14 |
| A2002-0642 | Shelby Co. Cattlemen's Association | Shelby | \$12,000.00 |
| A2002-0626 | Trigg Co. Cattlemen's Association | Trigg | \$40,000.00 |
| | | Total: | \$96,471.14 |

Genetics Improvement

| <i>App #</i> | <i>Project Name</i> | <i>County</i> | <i>Funds</i> |
|--------------|-----------------------------------|---------------|--------------------|
| A2002-647 | Allen Co. Cattlemen's Association | Allen | \$4,500.00 |
| A2002-0627 | Trigg Co. Cattlemen's Association | Trigg | \$24,000.00 |
| | | Total: | \$28,500.00 |

Goat Diversification

| <i>App #</i> | <i>Project Name</i> | <i>County</i> | <i>Funds</i> |
|--------------|---------------------------------------|---------------|---------------------|
| A2002-0566 | Foothills Goat Association, Inc. | Bath | \$21,000.00 |
| A2002-0651 | West Kentucky Goat Association | Logan | \$8,000.00 |
| A2002-0620 | Foothills Goat Association, Inc. | Menifee | \$21,000.00 |
| A2002-0621 | Foothills Goat Association, Inc. | Montgomery | \$42,000.00 |
| A2002-0612 | Powell Co. Livestock Producers Assoc. | Powell | \$11,500.00 |
| A2002-0617 | Pulaski Co. Ag. Advancement Council | Pulaski | \$19,100.00 |
| | | Total: | \$122,600.00 |

Handling Facilities

| <i>App #</i> | <i>Project Name</i> | <i>County</i> | <i>Funds</i> |
|--------------|------------------------------|---------------|---------------------|
| A2002-0624 | Elliott Co. Fiscal Court | Elliott | \$100,000.00 |
| A2002-0650 | Logan Co. Cattlemen's Assoc. | Logan | \$7,471.14 |
| A2002-0625 | Trigg Co. Cattlemen's Assoc. | Trigg | \$40,000.00 |
| | | Total: | \$147,471.14 |

APPENIDIX C: *Recommendations for No Funding*

| <i>App #</i> | <i>Project Name</i> | <i>County</i> |
|---------------------|--|----------------------|
| A2001-0800 | Kentucky State University Land Grant Pgm | Franklin |
| A2002-0013 | Hancock Fiscal Court | Hancock |
| A2002-0608 | Clay County Women In Agriculture | Clay |
| A2002-0616 | Jessamine County Fiscal Court | Jessamine |
| A2002-0631 | Clark County Conservation District | Clark |
| A2002-0632 | Clark County Conservation District | Clark |
| A2002-0633 | Clark County Conservation District | Clark |